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DEPT FOR SCA/CEN (M. O'MARA)

E.O. 12958: DECL: 04/29/2017
TAGS: [ENRG](#) [EINV](#) [KZ](#)
SUBJECT: KAZAKHSTAN: INFORMATION ON BAKER HUGHES' FCPA CASE
SHARED WITH GOVERNMENT

REF: STATE 54102

Classified By: Ambassador John Ordway; reasons 1.4 (b) and (d).

¶1. (C) Following receipt of reftel, Ambassador telephoned Prime Minister Masimov to inform him of the impending final court action and to ask how best to provide the GOK with the relevant court documents when they came available. Masimov told the Ambassador to deliver them directly to him.

¶2. (C) On April 26, after a larger meeting on a different issue, Ambassador had a brief one-on-one chat with the Prime Minister. The Ambassador told Masimov that there was a question of how the USG would refer to the Kazakhstani persons who received the illegal payments. Masimov said that he had no objection to the USG naming the principal official involved, and added that this approach would be far better than simply saying "Kazakhstani officials." He said that noting that the illegal payments went to officials of specific state-owned enterprises would also be preferable to simply saying "Kazakhstani officials" which could provoke unwarranted speculation about the involvement of officials of the government itself.

¶3. (C) On April 27, Ambassador delivered to Prime Minister Masimov copies of the SEC and DOJ press releases, along with a number of court documents provided to post by e-mail from SCA/CEN. In the one-on-one meeting, Masimov expressed gratitude for the specificity in the two press releases, and for the information that had been provided. Ambassador said that he was confident that the USG would cooperate with the GOK if the GOK wished to follow-up with its own investigation of the alleged Kazakhstani recipients of the illegal payments. Masimov expressed his gratitude for the offer, but did not venture an opinion as to whether the GOK would in fact pursue the case.

¶4. (C) Comment: We understand that the principal figure in the case, Zhakyr Marabayev, has left his last job at KazMunaiGaz, the state-owned oil and gas company, and has essentially disappeared from the local scene. Masimov, who knew exactly who Marabayev is, was totally dismissive about any negative consequences to his being named -- which strongly suggests that the GOK has no particular interest in defending him or his conduct. There is some press speculation already that the GOK may in fact conduct an investigation, but we have no basis to confirm that at this stage. End comment.
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